



January 25, 2021

Ms. Jocelyn Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 101
Columbia, SC 29210

RE: Effects from COVID-19
Commission Order No. 2020-372
4th Quarter 2020 Report

Dear Ms. Boyd:

Attached is the report required to be submitted under Commission Order Number 2020-372 tracking revenue impacts, incremental costs and savings related to the COVID-19 pandemic for Lockhart Power Company.

Sincerely,

A handwritten signature in dark ink that reads "Bryan D. Stone".

Bryan D. Stone
President



COVID-19 Report – 4th Quarter 2020

Lockhart Power Company

ACTIONS TAKEN

In response to the State of Emergency declared in South Carolina for the COVID-19 pandemic, Lockhart Power Company (the “Company”) is or has taken the following actions:

- Closed the office lobby to customers beginning March 23, 2020, other than those who need entry to apply for service. New applicants are being asked to call the office to verify they have the proper documentation with them before being allowed to enter the lobby. Customers are being instructed to use the overnight payment drop box, mail their payments or use the online or payment by phone options while the lobby is closed. All third-party collection sites also have overnight payment drop boxes that can be used as well.
- Suspended all service disconnections from March 16, 2020, until June 30, 2020, so that customers had access to electric services.
- Suspended late fees on delinquent account balances from March 16, 2020, until June 30, 2020, to reduce the impact on customers who may be suffering financial hardships due to the pandemic.
- Restored service to the one customer who as of March 16, 2020, had been disconnected for non-payment prior to the issuance of the State of Emergency.
- Offers information regarding assistance organizations available to assist customers who are experiencing financial hardship. This information is also available on the Company’s website and social media platforms.
- The Company does not report customer delinquencies to credit agencies.



- The Company is offering extended payment plans to customers who are experiencing financial hardship. To date, we have a total of 36 customers who have requested an extended payment plan. Currently, 10 customers are on an extended payment plan, most of which will make their final payments in January 2021. Of the additional 26 customers involved with this offering, 10 did not make their monthly payment as was agreed upon and did not attempt to make any additional arrangements. These customers have been disconnected for non-payment and have not made any attempt to have service restored. The remaining 16 customers paid their extended plans off early and are keeping their accounts current.
- The Company created an accelerated deposit refund program for customers. Qualifying customers were split into three categories; (1) customers with good payment histories for 13 to 24 months who were on track to have their deposits refunded during 2020, (2) customers with perfect payment history for 12 months, and (3) customers who had less than perfect payment history, but had never been disconnected for non-payment and have been Lockhart Power customers for at least 3 years. Customers in categories (1) & (2) were given the option to have the deposit refunded to their account or to receive payment from the Company. Customers in category (3) were offered the opportunity to have their deposit applied to their account balance immediately under the condition of them re-establishing their deposit balance via a six-month payment plan beginning in January 2021. A total of 157 customers took advantage of this offering and received refunds totaling \$59,170.
- On July 1, 2020, the Company returned to its normal collections processes which included charging late fees on past due balances as well as disconnecting customers for non-payment of their past due balances that were not previously included in a deferred payment plan. All customers were sent a letter in June 2020 advising them of this return to normal procedures by the Company. In the letter, customers were asked to contact us if it was going to be a financial hardship so that a payment plan could be arranged, and they could avoid disconnection. Also, in addition to the normal termination and reminder notices being sent to the customers as required by the Regulations, the Company attempted to contact each customer who was set to be disconnected for non-payment the day before disconnection to give them one last opportunity to make the necessary payment or create a payment plan for their past due balance. Both the return to normal collections processes and the additional attempt to contact customers were discussed with and agreed upon by members of the Office of Regulatory Staff as being appropriate under the circumstances.



In addition to these actions, the Company monitors the guidance and directives from the Centers for Disease Control and Prevention ("CDC") and other government agencies and has asked employees to follow hygiene suggestions and travel notices released by the CDC.

The Company, including our business services group, has remained fully operational during the entire State of Emergency and our operators, maintenance crews and line crews continue to be available twenty-four hours a day, seven days a week to respond to emergencies that may arise.

FINANCIAL IMPACT

Financial impacts to Lockhart Power Company for the year to date are as follows:

Revenues:

Misc. Revenues – Late Fees	(\$ 3,373)	Late fee charges suspended
Misc. Revenues – Reconnection Fees	(30)	1 Customer reconnected
Customer Write-Offs	(19,977)	77 Customer accounts

Operating Expenses:

Supplies	<u>(\$ 9,271)</u>	Employee PPE & Supplies
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Net Financial Impact	<u>(\$32,651)</u>
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In addition to the impacts listed, there are other miscellaneous COVID-19 related expenses (such as personal vehicle mileage), as well as some reduced expenses (for example, less travel for training, conferences, etc.). While these are difficult to quantify with specificity, the net economic impact is estimated to be immaterial – likely in the range of several thousand dollars.

CHANGE IN ACCOUNTS RECEIVABLE

Typically, Lockhart Power would have minimal if any amounts age to over 60 days past due to the ability to disconnect a customer at that point for non-payment. However as of June 30, 2020, the Company had a balance \$66,321 in its account receivable total that was 61 days or older. As of December 31, 2020, the over 60 days past due balance is down to \$5,149 for a decrease of \$61,172. Of the \$61,172, the Company has collected \$41,195 from its customers and written off as bad debts the total of \$19,977 included in the Financial Impact section above.